

# **IFA Stadium Development Company Limited**

## **Annual Report and Financial Statements**

For the year ended 31 December 2017

**Directors**

Trevor Annon	(Chairperson)
Patrick Nelson	
Hugh Wade	
Tim Husbands	
John McCollum	
Cameron Ramsey	(Resigned 29 November 2017)
Stuart Gilmore	(Appointed 24 August 2017)

**Company Secretary**

Patrick Nelson

**Registered Office**

The National Football Stadium  
Donegall Avenue  
Belfast  
BT12 6LW

**Bankers**

Ulster Bank  
91-93 University Road  
Belfast  
BT7 1NG

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Waterfront Plaza  
8 Laganbank Road  
Belfast  
BT1 3LR

Registered No. NI608630

## Directors' report

For the year ending 31 December 2017

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are shown on page 1.

The directors benefit from qualifying third party indemnity provisions which continued in place from their appointments and at the date of this report or to the date of resignation.

### Principal activities

The principal activity of the IFA Stadium Development Company Limited (the "company") during the year was the development and operation of the National Football Stadium for Northern Ireland.

### Results

The company reported a loss for the year ended 31 December 2017 of £41,012 (2016 profit: £2,300,456). The current year loss is a result of movements in capital allowances for tax purposes. The prior year profit was driven by insurance proceeds received in relation to damage to the West Stand. The directors do not recommend the payment of a dividend (2016: £Nil). No donations for political purposes were made during the year (2016: £Nil). The company is supported by its parent, Irish Football Association Limited.

### Provision of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

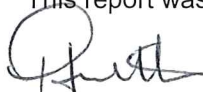
### Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of PricewaterhouseCoopers LLP as auditor of the company.

### Small companies' exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.



**Patrick Nelson**  
Director  
26 April 2018

## Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the result of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement was approved by the Board and signed on its behalf.



**Patrick Nelson**  
**Director**  
**26 April 2018**

## **Independent auditors' report to the members of IFA Stadium Development Company Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, IFA Stadium Development Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Independent auditors' report to the members of IFA Stadium Development Company Limited (continued)**

### **Report on the audit of the financial statements (continued)**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### ***Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Independent auditors' report to the members of IFA Stadium Development Company Limited (continued)

### Responsibilities for the financial statements and the audit (continued)

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Martin Pitt (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Belfast  
26 April 2018

## Profit and loss account

for the year ended 31 December 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	5	<b>1,705,296</b>	1,639,560
Cost of sales		<b>(917,405)</b>	(861,054)
<b>Gross Profit</b>		<b>787,891</b>	778,506
Administrative expenses		<b>(787,891)</b>	(619,474)
Exceptional item	6	-	2,247,825
<b>Operating profit</b>	7	-	2,406,857
<b>Profit before taxation</b>		-	2,406,857
Tax on profit	9	<b>(41,012)</b>	(106,401)
<b>(Loss) / profit for the financial year</b>		<b>(41,012)</b>	2,300,456

The company has no other items of comprehensive income and so no statement of other comprehensive income has been presented.



Registered No. NI608630

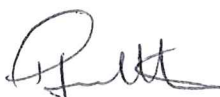
**Balance sheet**

at 31 December 2017

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	340,242	160,468
Investment property	11	35,830,230	36,306,900
		<b>36,170,472</b>	36,467,368
<b>Current assets</b>			
Debtors	12	706,230	1,529,393
Cash at bank and in hand		140,341	52,177
		<b>846,571</b>	1,581,570
<b>Creditors:</b> amounts falling due within one year	13	<b>(7,507,525)</b>	(7,565,700)
<b>Net current liabilities</b>		<b>(6,660,954)</b>	(5,984,130)
<b>Total assets less current liabilities</b>		<b>29,509,518</b>	30,483,238
<b>Creditors:</b> amounts falling due after more than one year	14	<b>(27,299,260)</b>	(28,272,980)
<b>Provisions for liabilities</b>	15	<b>(147,413)</b>	(106,401)
<b>Net assets</b>		<b>2,062,845</b>	2,103,857
<b>Called up share capital</b>	16	<b>2</b>	2
<b>Profit and loss account</b>		<b>2,062,843</b>	2,103,855
<b>Shareholders' funds</b>		<b>2,062,845</b>	2,103,857

The notes on pages 10 to 22 are an integral part of these financial statements.

The financial statements on pages 7 to 22 were approved and authorised for issue by the board and were signed on its behalf by:



**Patrick Nelson**  
Director  
26 April 2018

## Statement of changes in equity

for the year ended 31 December 2017

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2016	2	(196,601)	(196,599)
Profit for the financial year	-	2,300,456	2,300,456
Total comprehensive income for the year	-	2,300,456	2,300,456
<b>At 31 December 2016</b>	<b>2</b>	<b>2,103,855</b>	<b>2,103,857</b>

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2017	2	2,103,855	2,103,857
Loss for the financial year	-	(41,012)	(41,012)
Total comprehensive expense for the year	-	(41,012)	(41,012)
<b>At 31 December 2017</b>	<b>2</b>	<b>2,062,843</b>	<b>2,062,845</b>

## Notes to the financial statements

For the year ended 31 December 2017

### General Information

The principal activity of the IFA Stadium Development Company Limited ("the company") during the year was the development and operation of the National Football Stadium for Northern Ireland. The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is The National Football Stadium, Donegall Avenue, Belfast, BT12 6LW.

### 1. Statement of compliance

The individual financial statements of IFA Stadium Development Company Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, "The Reduced Disclosure Framework" ("FRS 101"), and the Companies Act 2006.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has adopted FRS 101 in these financial statements.

### Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

### Exemptions for qualifying entities under FRS 101

FRS 101 allows a qualifying entity certain disclosure exemptions. The company have taken advantage of the following exemptions from the requirements of IFRS:

- IFRS 7, "Financial Instruments: Disclosures"
- Paragraph 38 of IAS 1 "Presentation of financial statements" comparative information requirements in respect of:
  - i. Paragraph 79(a)(iv) of IAS 1; and
  - ii. Paragraph 73(e) of IAS 16.
- The following paragraphs of IAS 1 "Presentation of financial statements":
  - i. 10(d) – statement of cash flows;
  - ii. 16 – statement of compliance with all IFRS;
  - iii. 38A – requirement for minimum of two primary statements, including cash flow statements;
  - iv. 38B-D – additional comparative information;
  - v. 111 – cash flow statement information; and
  - vi. 134-136 – capital management disclosures.
- IAS 7, "Statement of cash flows"
- Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" – disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective;
- Paragraph 17 of IAS 24, "Related party disclosures" – key management compensation; and
- The requirements in IAS 24, "Related party disclosures" – disclosure of related party transactions between two or more members of a group.

## Notes to the financial statements

For the year ended 31 December 2017

### Summary of significant accounting policies (continued)

#### Going concern

The company meets its day-to-day working capital requirements through its bank facilities, government funds and support from its parent company, Irish Football Association Limited. The directors have assessed the company's financial position and have developed a business plan and strategic vision for the stadium in the coming years that is expected to be profitable. Therefore the company continues to adopt the going concern basis in preparing its financial statements.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes. The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash and cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of the consideration is measured at the present value of all future receipts using the imputed rate of interest. The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow through the entity and (e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

##### i) Tickets and TV receipts (rental income)

An allocation of home international match income in respect of ticket sales and TV receipts is received from Irish Football Association Limited to IFA Stadium Development Company Limited, in respect of rental income from use of property owned by the company.

##### ii) Other rental income

Rental from hire of corporate boxes and office/room rentals is recognised on a straight line basis over the term of the rental period.

##### iii) Other income

Other income (such as catering and events income) is recognised in the profit and loss account when the terms of revenue recognition have been met.

##### iv) Grants

Grants relating to tangible fixed assets are treated as deferred credits (held in the deferred credit reserve on the Balance sheet) and released to "Cost of sales" in the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

#### Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods.

## Notes to the financial statements

For the year ended 31 December 2017

### Summary of significant accounting policies (continued)

#### Foreign currency

i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within "Administrative expenses".

#### Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plan

The company operates a defined contribution scheme for employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

iii) Bonus Plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

#### Exceptional items

The company classifies certain one off charges or credits that have a material impact on the company's financial results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the company.

## Notes to the financial statements

For the year ended 31 December 2017

### Summary of significant accounting policies (continued)

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax, is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in the tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

#### Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation on assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated economic lives, as follows:

Plant and equipment	- 10%
Fixtures and fittings	- 25%

Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have a significantly different pattern of consumption of economic benefits and are depreciated separately over its useful life.

## Notes to the financial statements

For the year ended 31 December 2017

### Summary of significant accounting policies (Continued)

#### Tangible assets (continued)

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

Repairs, maintenance and minor inspection costs are expensed as incurred.

#### Investment property

Investment property, the stadium, is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

The investment property owned by the company is situated on long leasehold land. The property is depreciated over the shorter of the useful life and the period of the land lease, using the straight-line method, to allocate the cost to their residual values over the estimated economic lives, as follows: Structural costs – 2%; and Fixtures and fittings – 5%. Consequently, the rates applied in depreciation of North stand and National football stadium are 2–5%.

Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have a significantly different pattern of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

#### Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### Operating leased asset

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and bank overdrafts.

## Notes to the financial statements

For the year ended 31 December 2017

### Summary of significant accounting policies (Continued)

#### Impairment of fixed assets

At each balance sheet date fixed assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the assets.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

#### Provisions and contingencies

##### i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

##### ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.



## Notes to the financial statements

For the year ended 31 December 2017

### Summary of significant accounting policies (Continued)

#### Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or, (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group.

## Notes to the financial statements

For the year ended 31 December 2017

### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical judgements in applying the company's accounting policies

There are no critical judgments in applying the company's accounting policies.

#### (b) Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions.

### 5. Turnover

The whole of the turnover is attributable to the principal activity of the company and relates entirely to activities in the UK.

### 6. Exceptional item

The exceptional item in 2016 related to insurance receipts which were received against the damage sustained to the West Stand of the Stadium.

### 7. Operating profit

The operating profit for the year is after charging / (crediting):

	2017	2016
	£	£
Wages and salaries	179,134	177,450
Social security costs	17,286	18,953
Pension costs	28,415	9,011
Total staff costs charged to profit and loss	<u>224,835</u>	<u>205,414</u>
Depreciation of fixed assets	1,054,488	281,346
Insurance receipts	-	(2,247,825)
Operating lease charge	200,000	200,000
Amortisation of deferred credits	(870,661)	(222,366)
Fees payable to the company's auditor	<u>10,000</u>	<u>10,000</u>

### 8. Employees and directors

Employees

The average monthly number of employees during the year was as follows:

	No.	No.
Administrative	<u>4</u>	<u>7</u>
Total	<u>4</u>	<u>7</u>

Directors

During the year, no director received any emoluments (2016: £Nil).

## Notes to the financial statements

For the year ended 31 December 2017

### 9. Tax on profit

#### a) Tax expense included in profit and loss account

	2017	2016
	£	£
<b>Corporation tax</b>		
Current tax:		
UK corporation tax on profit for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	28,784	138,590
Adjustment in respect of previous periods	15,588	(12,090)
Effect of changes in tax rates	(3,360)	(20,099)
Total deferred tax (note 15)	41,012	106,401
<b>Tax on profit</b>	<b>41,012</b>	<b>106,401</b>

#### b) Reconciliation of tax charge

The tax assessed for the year differs from the UK corporation tax rate of 19.25% (2016: 20%). The differences are explained below:

Profit before tax	-	2,406,857
Profit multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	-	481,371
Effects of:		
Expenses not deductible	178,598	21,515
Income not taxable	(167,573)	(494,038)
Effect of group relief	17,759	129,742
Effect of changes in tax rates	(3,360)	(20,099)
Utilisation of losses	-	-
Adjustment in respect of previous periods	15,588	(12,090)
<b>Tax on profit on ordinary activities</b>	<b>41,012</b>	<b>106,401</b>

#### c) Tax

The UK Corporation tax reduced to 19% for years beginning on or after 1 April 2017 and 17% for the years beginning on or after 1 April 2020. These changes have been reflected in these financial statements.

## Notes to the financial statements

For the year ended 31 December 2017

### 10. Tangible assets

	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost or valuation:</b>			
At 1 January 2017	150,988	11,046	162,034
Additions	199,729	12,614	212,343
<b>At 31 December 2017</b>	<b>350,717</b>	<b>23,660</b>	<b>374,377</b>
<b>Accumulated depreciation:</b>			
At 1 January 2017	-	1,566	1,566
Charge for the year	26,774	5,795	32,569
<b>At 31 December 2017</b>	<b>26,774</b>	<b>7,361</b>	<b>34,135</b>
<b>Net book value:</b>			
<b>At 31 December 2017</b>	<b>323,943</b>	<b>16,299</b>	<b>340,242</b>
At 31 December 2016	150,988	9,480	160,468

### 11. Investment property

	North stand £	National football stadium £	Total £
<b>Cost or valuation:</b>			
At 1 January 2017	885,952	35,735,469	36,621,421
Additions	-	545,249	545,249
<b>At 31 December 2017</b>	<b>885,952</b>	<b>36,280,718</b>	<b>37,166,670</b>
<b>Accumulated depreciation:</b>			
At 1 January 2017	69,392	245,129	314,521
Charge for the year	34,696	987,223	1,021,919
<b>At 31 December 2017</b>	<b>104,088</b>	<b>1,232,352</b>	<b>1,336,440</b>
<b>Net book value:</b>			
<b>At 31 December 2017</b>	<b>781,864</b>	<b>35,048,366</b>	<b>35,830,230</b>
At 31 December 2016	816,560	35,490,340	36,306,900

The National Football Stadium had an official opening on 8 October 2016 and depreciation of the new stadium began at that time. A 51 year lease for use of the land is in place between the company and Linfield Football Club, which began on 8 May 2014.

## Notes to the financial statements

For the year ended 31 December 2017

### 12. Debtors

	2017	2016
	£	£
Trade debtors	191,511	92,086
Other debtors	336,753	1,187,428
VAT	125,477	122,335
Prepayments	52,489	127,544
	<u>706,230</u>	<u>1,529,393</u>

Trade receivables are stated after provisions for impairment of £13,000 (2016: £Nil).

### 13. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	294,239	99,955
Amounts owed to parent undertaking	5,698,032	6,008,664
Other tax and social security	1,359	-
Accruals and deferred income	660,164	706,409
Deferred credit reserve (note 14)	853,731	750,672
	<u>7,507,525</u>	<u>7,565,700</u>

Amounts owed to parent undertaking are unsecured, interest free and are repayable on demand.

### 14. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Deferred credit reserve – opening balance	29,023,652	27,522,370
Additions	-	1,723,648
Amortisation for the year	(870,661)	(222,366)
Deferred credit reserve – closing balance	28,152,991	29,023,652
Falling due within one year (note 13)	(853,731)	(750,672)
Falling due after more than one year	<u>27,299,260</u>	<u>28,272,980</u>

### 15. Provisions for liabilities

	2017	2016
	£	£
Deferred taxation – opening balance	106,401	-
Charge for the year (note 9)	41,012	106,401
Deferred taxation – closing balance	<u>147,413</u>	<u>106,401</u>
The liability is made up as follows:		
Timing differences on fixed assets	158,892	133,468
Other timing differences	(11,479)	(27,067)
	<u>147,413</u>	<u>106,401</u>

## Notes to the financial statements

For the year ended 31 December 2017

### 16. Called up share capital

	2017	2017
	£	£
<b>Allotted and fully paid</b>		
2 (2016: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 17. Financial commitments

At 31 December, the company had annual commitments under non-cancellable operating leases, relating to the football stadium, expiring as follows:

	2017	2016
	£	£
Payments due in less than one year	200,000	200,000
Payments due in two to five years	800,000	800,000
Payments due in more than five years	<u>8,466,667</u>	<u>8,666,667</u>

The company completed the development of a National Football Stadium for Northern Ireland in the year 2016. The majority of the costs relating to this project were funded by supporting bodies, including the Department for Communities.

### 18. Capital commitments

At 31 December, the company has a capital commitment of £nil (2016: £120,521).

### 19. Contingent assets and liabilities

In the prior year, the lead contractor responsible for building the National Football Stadium expressed its intention to claim additional amounts over and above the final completion certificate. The amount has not as yet been quantified and will be challenged, however disclosure of the fact of a potential claim is required for a proper understanding of the financial statements.

At the year end, there are ongoing insurance claims relating to the National Football Stadium construction, which although the timing and quantum of receipt is not certain, settlement is probably in 2017 and disclosure is required for a proper understanding of the financial statements.

The Department for Communities has provided grant funding to build the National Football Stadium under an agreement dated May 2014. There is the potential for the recognition of contingent liabilities in the event of the company failing to meet its obligations under this agreement.

### 20. Related party transactions

No transactions or balances have been identified as requiring disclosure under FRS 101.

## Notes to the financial statements

For the year ended 31 December 2017

### **21. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking and controlling party is Irish Football Association Limited.

The smallest and largest undertakings of which the company is a member, and for which group financial statements are prepared is Irish Football Association Limited, a company limited by guarantee and incorporated in Northern Ireland. These financial statements are available from the National Football Stadium, Donegall Avenue, Belfast, BT12 6LW.

